

Message Text

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FROM AMBASSADOR

EO 11652: N/A
TAGS: ABLD, ASEC, AMGT, JM
SUBJECT: ACQUISITION OF NEW CHANCERY FOR AMBASSY KINGSTON

REF: (A) 75 KINGSTON 3789 (B) KINGSTON 217

1. SUMMARY. REFTELS DESCRIBE SECURITY AND OTHER CONSIDERATIONS ARGUING FOR EARLY ACQUISITION OF NEW CHANCERY CAPABLE OF HOUSING ALL ELEMENTS AMEMBASSY KINGSTON. FOLLOWING IS MY DETAILED PROPOSAL FOR ACQUISITION OF SUCH A CHANCERY ON A SHORT-TERM LEASE/OPTION-TO-BUY ARRANGEMENT. I REQUEST FOLLOWING ACTION ASAP: (A) IMMEDIATE TDY KINGSTON OF FBO ARCHITECT/ENGINEER TO ASCERTAIN PHYSICAL FEASIBILITY OF ARRANGEMENTS PROPOSED BELOW: AND (B) AUTHORIZATION TO NEGOTIATE LEASE--IF FEASIBILITY STUDY OUTCOME IS POSITIVE.
END SUMMARY

2. PRESENT SITUATION. U S MISSION IN KINGSTON IS PRESENTLY HOUSED IN THREE BUILDINGS. MAIN CHANCERY, AN OLD BUILDING IN A HIGH-CRIME AREA CHARACTERIZED BY DELAPIDATED BUILDINGS AND FILTH-STREWN STREETS AND SIDEWALKS, HOUSES ALL FUNCTIONS EXCEPT CONSULAR SECTION (VISA UNIT) AND USIS. SPACE IS AT A PREMIUM WITH MAIN CHANCERY RESEMBLING A RABBIT WARREN. VISA UNIT AND USIS ARE EACH SOME 20 MINUTES AWAY FROM THE MAIN CHANCERY. THE THREE OFFICES TOGETHER PROVIDE APPROXIAMATELY 36,000 SQUARE FEET OF USABLE OFFICE SPACE

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3. IN ADDITION THESE THREE PROPERTIES, MISSION ALSO
LEASES TWO PARKING LOTS NEAR MAIN CHANCERY

4. THE TOTAL ANNUAL COST OF ABOVE LEASES IS US\$83,462.27

5. REQUIREMENT FOR A NEW CHANCERY. REQUIREMENT FOR A
NEW CHANCERY IS TWOFOLD

(A) REFTELS DETAIL SECURITY PROBLEMS INHERENT TO PRESENT
SITUATION. TO SUMMARIZE, NONE OF PRESENT PREMISES CAN BE
ADEQUATELY SECURED AGAINST RIOT, TERRORISTS, OR ALMOST
ANY OTHER KIND OF THREAT. OF MORE IMMEDIATE CONCERN IS
LOCATION OF MAIN CHANCERY IN A HIGH-CRIME AREA WHERE MUGGINGS
AND OTHER FORMS OF ASSAULT ON THE SIDEWALKS AROUND THE
CHANCERY ARE ALL-TOO-FREQUENT OCCURRENCES. (WIFE OF EMBASSY
COMMUNICATOR MUGGED AT 1600 HOURS DIRECTLY IN FRONT OF
CHANCERY ON JANUARY 24.) AS REPORTED IN REFTEL (A),
SITUATION HAS DETERIORATED TO POINT WHERE STAFF MUST LEAVE
EMBASSY WELL BEFORE DARK; SAFETY OF COMMUNICATORS AND DUTY
OFFICERS CALLED IN AFTER DARK IS A MATTER OF SUCH
CONCERN AS TO REQUIRE DEPARTMENT TO BLOCK MOST NIACT
IMMEDIATE TRAFFIC.

(B) PRESENT SITUATION HIGHLY INEFFICIENT AND SIGNIFICANTLY
HAMPERS MISSION OPERATIONS. NO SECURE STORAGE IS FEASIBLE IN
BUILDINGS HOUSING VISA UNIT AND USIS. KEY CONSULAR AND
USIS STAFF MUST ABSENT THEMSELVES FROM THEIR OFFICES FOR
SEVERAL HOURS DAILY TO CHECK CLASSIFIED TRAFFIC IN
MAIN CHANCERY, AND TO ATTEND MEETINGS IN LATTER
BUILDING. PRESENT DISPERSAL OF MISSION REQUIRES MORE
STAFF THAN WOULD BE CASE IF MISSION WERE LOCATED IN A
SINGLE CHANCERY. REQUIREMENTS LEVIED ON THE MISSION'S
MOTOR POOL AND ASSOCIATED COSTS ARE LIKEWISE HIGHER

6. FOREIGN SERVICE INSPECTION TEAM WHICH VISITED KINGSTON
IN LATE NOVEMBER AND EARLY DECEMBER RECOGNIZES REQUIRE-
MENT AND IS RECOMMENDING ACQUISITION OF A NEW CHANCERY

7. RECENT EFFORTS AT ACQUISITION OF A NEW CHANCERY. THIS
PAST SUMMER, WITH ENCOURAGEMENT OF FBO, EMBASSY ENTERED
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INTO TENTATIVE NEGOTIATIONS DIRECTED AT FBO ACQUISITION
OF NEW CHANCERY TO BE BUILT TO DEPARTMENT'S SPECIFICATIONS
ON A LEASE/OPTION-TO-BUY BASIS. IN EARLY SEPTEMBER
FBO ADVISED EMBASSY TO TERMINATE THESE NEGOTIATIONS ON
BASIS THERE WOULD BE NO FBO FUNDS FOR ACQUISITION OF
NEW CHANCERY PRIOR TO FY 1978

8. EMBASSY HAS CONTINUED TO WATCH FOR OTHER OPPOR-

TUNITIES, I. E. A SHORT-TERM LEASE OF A NEW CHANCERY IN
ONE OF SEVERAL NEW OFFICE BUILDINGS IN KINGSTON
UNDER CONSTRUCTION OR RECENTLY COMPLETED. IT DOES NOT
NOW APPEAR LIKELY ADEQUATE SPACE IN A SUITABLE LOCATION
AT REASONABLE COST CAN BE OBTAINED THROUGH THIS
APPROACH

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9. PROPOSAL TO ACQUIRE COURTLEIGH MANOR HOTEL IN NEW
KINGSTON AS NEW CHANCERY. IN RECENT WEEKS EMBASSY
LEARNED COURTLEIGH MANOR HOTEL IN NEW KINGSTON CAN BE
ACQUIRED AS A NEW AND PERMANENT CHANCERY. COURTLEIGH
MANOR COMPLEX IS SITED ON APPROXIMATELY FOUR ACRES
CHOICE LAND ON TRAFALGAR ROAD IN NEW KINGSTON AREA.
ALL MAJOR HOTELS AND GOVERNMENT OFFICES ARE NO MORE THAN
FIVE TO TEN MINUTES DISTANT BY CAR. MOST OF EMBASSY'S SINGLE
STAFF HOUSED IN AN APARTMENT COMPLEX ONE BLOCK
AWAY

10. COURTLEIGH COMPLEX INCLUDES (A) TWO-FLOOR MAIN
BUILDING WITH ONE ONE-FLOOR WING AND ANOTHER TWO-FLOOR
WING; (B) FOUR BEDROOM HOUSE; (C) TWO BEDROOM HOUSE;
(D) SMALL BUILDING CONTAINING STORAGE AREA AND SERVANTS'
QUARTERS; (E) SMALL SWIMMING POOL; AND (F) PARKING LOT
CAPABLE OF HANDLING ALL STAFF VEHICLES, MOTOR POOL,
AND VISITORS. USABLE OFFICE SPACE IN MAIN BUILDING
COMPLEX (A), ASSUMING SOME MODIFICATIONS IS APPROXI-
MATELY 30,000 TO 32,000 SQUARE FEET. THIS WOULD BE MORE
THAN ADEQUATE; PUTTING ALL MISSION ELEMENTS INTO
ONE CHANCERY WILL PERMIT SOME STAFF REDUCTIONS AND
ELIMINATION OF DUPLICATE RECEPTION, STORAGE AND OTHER

AREAS.

11. ALL BUILDINGS ARE CONCRETE/STEEL CONSTRUCTION, WITH EXCEPTION TWO HOUSES OF CINDER-BLOCK CONSTRUCTION. MAIN BUILDING (A) WAS BUILT IN 1965. BUILDING (A) WINGS BUILT IN 1960. MOST OTHERS CONSTRUCTED IN 1945. ALL LIMITED OFFICIAL USE

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BUILDINGS ARE IN GOOD TO EXCELLENT CONDITION. COMPLEX'S POWER AND WATER SYSTEM APPEARS TO BE MORE THAN ADQUATE TO THE NEEDS OF A CHANCERY

12. DURING DISUCUSSIONS WITH OWNERS IN EARLY DECEMBER/ JANUARY EMBASSY LEARNED HOTEL IMMEDIATELY AVAILABLE THOUGH PRESENTLY STILL OPERATING. OWNERS WISH TO SELL PROPERTY AND HAVE QUOTED A FIGURE OF US \$1.2 MILLION FOR ENTIRE PROPERTY, INCLUDING FURNISHINGS. (THIS IS ROUGHLY CURRENT VALUE OF UNIMPROVED LAND.) IT WAS POINTED OUT TO OWNER THAT, IF ANY ARRANGEMENT COULD BE ARRIVED AT, IT WOULD PROBABLY HAVE TO BE A SHORT-TERM LEASE WITH OPTIONS TO RENEW AND TO BUY. OWNER STATED HE WOULD BE WILLING TO ENTER INTO SUCH AN ARRANGEMENT WITH UNDERSTANDING 100 PERCENT OF ANNUAL RENTAL WOULD BE APPLIED TO PURCHASE SHOULD U S GOVERNMENT ULTIMATELY EXERCISE OPTION TO PURCHASE. PURCHASE PRICE WOULD BE ESTABLISHED AT OUTSET OF LEASE. HE SAID HE COULD ARRIVE AT THE ANNUAL RENTAL RATE BY DIVIDIGN THE TERM OF THE LEASE INTO THE PURCHASE PRICE. (THIS INCLUDES POSSIBILITY OF INITIAL NINE-YEAR SHORT-TERM LEASE PLUS NINE-YEAR RENEWAL AT OPTION USG.) AT END OF LEASE USG DECISION TO EXERCISE OPTION TO PURCHASE WOULD RESULT IN ACQUISITION OF HOTEL AT NO ADDITIONAL COST.

13. OWNER DID MAKE CLEAR ANY LEASE/OPTION-TO - BUY ARRANGEMENT WOULD HAVE TO BE ACCOMPANIED BY "LETTER OF INTENT TO PURCHASE" WHICH COULD CONTAIN QUALIFYING CLAUSES, E.G., "SUBJECT TO CONGRESSIONAL AUTHORIZATION AND APPROPRIATION OF FUNDS".

14. CONVERSION OF HOTEL TO CHANCERY. SHOULD WE ACQUIRE THE COURTLEIGH MANOR HOTEL WE WOULD PROPOSE TO UTILIZE THE COMPLEX AS FOLLOWS.

(A) ALL ELEMENTS OF THE MISSION PLUS THE EMBASSY COMMISSARY WOULD BE HOUSED IN THE MAIN BUILDING COMPLEX (BUILDING A).

(B) TWO HOUSES (WHICH SUFFICIENTLY CLOST TO EACH OTHER TO BE LINKED) WOULD BE CONVERTED INTO QUARTERS FOR MARINE SEC- LIMITED OFFICIAL USE

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URITY GUARD DETACHMENT

(C) HOTEL'S SERVANT QUARTERS, STORAGE AREA, AND GARAGE WOULD BE USED BY EMBASSY MOTOR POOL AND FOR SUPPLIES STORAGE. COULD ALSO BE USED AS COMMISSARY.

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15. ABOVE ARRANGEMENT WOULD PERMIT MISSION TO TERMINATE ALL CURRENT LEASES DESCRIBED IN PARAS 2 AND 3. HOUSING OFMARINE DETACHMENT IN COMPLEX WOULD ASSURE FURTHER SAVINGS OF US\$6,611.57 AND WOULD ENHANCE CHANCERY SECURITY.

16. BEYOND THE ABOVE USES, THE SWIMMING POOL TERRACE AREA PERMITS REPRESENTATIONAL FUNCTIONS OF UP TO SEVERAL HUNDRED PERSONS. (SUCH FUNCTIONS ARE REARELY HELD AT THE EMBASSY RESIDENCE BECAUSE OF THE THREAT OF RAIN, AND INADEQUATE INDOOR SPACE)

17. EXTENSIVE RENOVATIONS WOULD BE NECESSARY. NO DETAILED SURVEY HAS BEEN MADE BUT A T A MINIMUM THE FOLLOWING WOULD BE REQUIRED;

(A) SECURITY FENCING ON ALL SIDES OF THE COMPOUND EXCEPT THAT FACING TRAFALGAR ROAD

(B) INSTALLATION OF SECURITY LIGHTS AND, POSSIBLE,

TV MONITORS

(C) INSTALLATION OF SECURITY GRILLS OVER ALL GROUND-FLOOR WINDOWS

(D) PARTITIONING OF MAIN BUILDING COMPLEX INTO APPROPRIATE OFFICE SPACE. THIS REQUIRES REMOVAL OF NUMEROUS BATHROOMS, CLOSETS, AND ENCLOSURE OF SOME PATIO AND UPSTAIRS BEDROOM BALCONY AREAS. OWNERS CLAIM ALL THIS CAN BE DONE TO OUR SPECIFICATIONS IN NO MORE THAN LIMITED OFFICIAL USE

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THREE MONTHS

(E) COST OF ABOVE RENOVATIONS REMAINS TO BE DETERMINED; IT COULD RANGE BETWEEN \$300,000 AND \$600,000.

18. COST IMPLICATIONS. COST OF COMPLEX, ASSUMING PURCHASE AND RENOVATIONS, WOULD PROBABLY BE IN NEIGHBORHOOD OF US\$1.5 MILLION. ADDITIONALLY, WE WOULD HAVE TO NEGOTIATE COSTS ASSOCIATED WITH TERMINATION OF EXISTING LEASES ON ALL PROPERTIES--INCLUDING RESTORATION OF PREMISES TO SOMETHING RESEMBLING THEIR ORIGINAL CONDITION. THESE COSTS ARE ESTIMATED TO BE BELOW US\$100,000. TOTAL COST OF ACQUISITION OF A NEW CHANCERY COULD THEREFORE BE IN NEIGHBORHOOD OF US \$1.6 MILLION

19. COURTTLEIGH OWNERS STATE THEY WOULD BE WILLING CONTRACT FOR MODIFICATION HOTEL COMPLEX AND INCLUDE COSTS IN TOTAL PURCHASE PRICE TO BE PRO-RATED IN FORM OF ANNUAL RENTAL PAYMENTS, I.E., A TURNKEY OPERATION. ACTUAL ANNUAL RENTAL COSTS WOULD DEPEND ON LENGTH OF LEASE, AND ON WHETHER THERE WOULD BE A BALLOON PAYMENT LINKED TO EXERCISE OF OPTION TO BUY. WE ARE REASONABLY CONVINCED THAT, UNDER ANY ARRANGEMENT, ANNUAL RENTAL COULD BE HELD TO WELL BELOW \$200,000, INCLUDING AMORTIZED COSTS FOR CONVERSION OF COURTTLEIGH INTO A PERMANENT CHANCERY. ACTUAL COST OF NEW CHANCERY MIGHT BE CONSIDERED AS DIFFERENCE BETWEEN CAPITALIZATION ALL PRESENT CONTRACTUAL LEASE COSTS AND NEW RENTAL COSTS, I.E., PROBABLY WELL BELOW US\$1 MILLION

20. CONCLUSION AND RECOMMENDATIONS. OPPORTUNITY TO ACQUIRE THIS PROPERTY IS INDEED UNIQUE--PARTICULARLY SINCE COST OF ACQUISITION THROUGH MEANS DESCRIBED ABOVE MAY BE LITTLE MORE THAN THAT OF UNIMPROVED LAND IN NEW KINGSTON. MOREOVER, DEPENDENT UPON LEASE TERMS (INCLUDING PARTICULARLY THE LENGTH), WE WOULD ACQUIRE A FIRST-CLASS CHANCERY IN AN EXCELLENT LOCATION FOR NOT MUCH MORE THAN COST OF EXISTING LEASES OVER SAME PERIOD OF

TIME. IN FACT,SOME EXISTING LEASES WILL EXPIRE IN NEAR
FUTURE. RENEWAL WILL RQUIRE--GIVEN EXISTING TRENDS--
SUBSTANTIAL INCREASES IN ANNUAL RENTAL COSTS.
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BEYOND THESE CONSIDERATIOS, CONVERSION OF THE COURTLEIGH
MANOR COMPLEX INTO A U S MISSION WOULD SATISFY ALL
SECURITY REQUIREMENTS IN REFTELS WHILE ALSO ENORMOUSLY
ENHANCING EFFICIENCY OF MISSION OPERATIOS. FINALLY,
AND EXTRAORDINARILY ENOUGH,THE COURTLEIGH MANOR COMPLEX,
WITH MODERATE EXTERNAL AND INTERANAL ALTERATISON, WOULD
BE A FIRST-CLASS PERMANENT MISSION

21. I ACCORDINGLY REQUEST FOLLOWING ACTIONS

(A) TDY IN KINGSTON OF FBO ARCHITECT/ENGINEER AT EARLIEST
POSSIBLE DATE TO SURVEY AND PROVIDE COST ESTIMATES OF
WORK NECESSARY TO CONVERT THE COURTLEIGH MANOR INTO A
MISSION COMPLEX. THE SURVEY WOULD BE DESIGNED TO ASSURE
THE PHYSICAL FEASIBILITY OF THE APPROACH SUGGESTED IN
THIS PROPOSAL. THIS SHOULD BE NO LATER THAN SOMETIME
IN FEBRUARY. (LOCAL ARCHITECT/ENGINNEERS NOT CAPABLE OF
EVALUATING SUITABIOLITY OF PROPERTY--INCLUDING MODIFICATION
REQUIREMENTS--FROM POINT OF VIEW OF STATE SECURITY AND
OTHER REQUIREMENTS)

(B) ASSUMING ARCHITECT/ENGINEER'S FINDINGS ARE FAVORABLE,
AUTHORIZATION FOR EMBASSY (WITH NEGOTIATING GUIDELINES)
TO COMMENCE NEGOTIATION FOR ACQUISITION AND RENOVATION OF
COURTLEIGH MANOR COMPLEX ON A LEASE/OPTION-TO-PURCHASE
ARRANGEMENT GERARD

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